



DEFENSE LOGISTICS AGENCY
THE DEFENSE CONTRACT MANAGEMENT COMMAND
8725 JOHN J. KINGMAN ROAD, SUITE 2533
FT. BELVOIR, VIRGINIA 22060-6221

IN REPLY
REFER TO AQOE

PUG 919!36

**MEMORANDUM FOR COMMANDERS, DEFENSE CONTRACT MANAGEMENT
DISTRICTS**

**SUBJECT: DCMC Memorandum No. 96-38, Assignment of Claims, Use of Alternate I
(POLICY)**

This is a POLICY memorandum. It expires when content is included in DLAD 5000.4, Contract Management (One Book), not to exceed one year. Target Audience: Administrative Contracting Officers and Contract Administrators.

On June 17, 1996, a memorandum was issued by the Director, Defense Procurement, which makes a determination of need to resume use of Alternate I to the clause at 52.232-23, "Assignment of Claims," in accordance with the Defense Federal Acquisition Regulation Supplement 232.806 (a)(2). A copy of the memorandum that went to the DoD Contracting and Acquisition Directorates is attached.

Procuring Contracting Officers have been directed to resume use of Alternate I to the assignment of claims clause. Administrative Contracting Officers should ensure that Alternate I, No Set-Off Provision, is administered properly for those contracts containing the clause. This "no set-off" commitment means the Government will not reduce payments to an assignee to offset debts owed by the contractor. Questions on this memorandum may be referred to Elaine Philpott, Payment, Closeout and Property Team at DSN 427-3431 or (703) 767-3431. Internet address: elaine~hilpott(?jlhq.dla.mil).

A handwritten signature in black ink, reading "Robert W. Drewes", is positioned above the printed name.

ROBERT W. DREWES
Major General, USAF
Commander

Attachment

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ACQUISITION AND
TECHNOLOGY

OFFICE OF THE UNDER SECRETARY OF DEFENSE

3000 DEFENSE PENTAGON
WASHINGTON DC 20301-3000

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June 17, 1996

DP/CPF

MEMORANDUM FOR DIRECTORS OF DEFENSE AGENCIES
DEPUTY FOR ACQUISITION AND BUSINESS WAGEMENT,
ASN(RD&A)/ABM
DEPUTY ASSISTANT SECRETARY OF THE AIR FORCE
(Contracting), SAF/AQC
DIRECTOR, PROCUREMENT POLICY, ASA(RD&A) /SARD-PP
DEPUTY DIRECTOR (ACQUISITION) , DEFENSE LOGISTICS
AGENCY

SUBJECT: Determination of Need for Use of No-Setoff Provision
(Alternate I) Under the Clause at FAR 52.232-23,
Assignment of Claims

On October 3, 1995, the President delegated the authority to make determinations of need to the Secretary of Defense. In accordance with delegations from the Secretary, and Under Secretary for Acquisition and Technology, I have executed a determination of need. You are to resume use of Alternate I to the clause at 52.232-23, "Assignment of Claims, " in accordance with the Defense Federal Acquisition Regulation Supplement 232.806(a) (2).

Eleanor Spector

Eleanor Spector
Director, Defense Procurement

